

Simeon Djankov, Ph.D.-January 15, 2008

“Doing Business 2008: Reforms Make a Difference”

Addressing the Global Business Forum on January 15, Dr. Simeon Djankov, Chief Economist of the World Bank’s Indicators Group, explained the results of *Doing Business*, an annual Bank report that identifies what reforms favorable to business have been carried out in the past year by governments around the world, and ranks 181 nations according to the relative ease with which one can establish and conduct business there. Factors weighed in comparing nations include tax policy, ease of property acquisition, clarity and comprehensiveness of legislation, quality of infrastructure, transparency/corruption, and so on.

Dr. Djankov noted the dramatic progress toward privatization and entrepreneurship being made in former Soviet Bloc nations, particularly in Georgia (a leading reformist nation) in each of the last three annual reports, as well as in Croatia, Bulgaria, Estonia and Macedonia. “Russia,” said Dr. Djankov, “now has more private seaports than the U.S.” Egypt, however, has made the most dramatic policy improvements in the past year, and Saudi Arabia has substantially improved its business climate in recent years as both governments now recognize that entrepreneurship is essential for the massive employment generation their nations require.

The comprehensive data collection and analysis undertaken by the Indicators Group for preparation of the *Doing Business* series has also assisted governments in identifying key constraints to business efficiency—the length of time required to clear customs or to register property, for example—and targeting reforms accordingly.

Singapore continues to lead the world in maintaining a business-friendly environment, with New Zealand in second place. The U.S. ranks third, said Djankov, but could leapfrog into first place if it simplified its corporate tax policy. Many of the best places to do business are predictably OECD member nations, but the top 30 also includes Latvia and Lithuania, as well as Saudi Arabia (#23), Thailand, Korea, and Malaysia .

-Tom Brennan

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